

UNITED STATES BANKRUPTCY COURT

DISTRICT OF NEW JERSEY

In re: BLOCKFI LENDING LLC, et al.,

§
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§

Debtor(s)

Case No. 22-19365

Lead Case No. 22-19361

☒ Jointly Administered

Post-confirmation Report

Chapter 11

Quarter Ending Date: 03/31/2024

Petition Date: 11/28/2022

Plan Confirmed Date: 10/03/2023

Plan Effective Date: 10/24/2023

This Post-confirmation Report relates to: ☒ Reorganized Debtor

☐ Other Authorized Party or Entity:

Name of Authorized Party or Entity

/s/ Mohsin Y. Meghji

Signature of Responsible Party

11/07/2024

Date

Mohsin Y. Meghji, as Plan Administrator

Printed Name of Responsible Party

1700 Broadway, New York, NY 10019

Address

STATEMENT: This Periodic Report is associated with an open bankruptcy case; therefore, Paperwork Reduction Act exemption 5 C.F.R. § 1320.4(a)(2) applies.

Debtor's Name BLOCKFI LENDING LLC, et al.,

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Part 1: Summary of Post-confirmation Transfers

	Current Quarter	Total Since Effective Date
a. Total cash disbursements	\$3,653,999	\$3,654,044
b. Non-cash securities transferred	\$22,160,163	\$22,160,163
c. Other non-cash property transferred	\$0	\$0
d. Total transferred (a+b+c)	\$25,814,162	\$25,814,207

Part 2: Preconfirmation Professional Fees and Expenses

a.			Approved Current Quarter	Approved Cumulative	Paid Current Quarter	Paid Cumulative
	Professional fees & expenses (bankruptcy) incurred by or on behalf of the debtor					
	Aggregate Total					
	Itemized Breakdown by Firm					
		Firm Name	Role			
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b.			Approved Current Quarter	Approved Cumulative	Paid Current Quarter	Paid Cumulative
	Professional fees & expenses (nonbankruptcy) incurred by or on behalf of the debtor					
	<i>Aggregate Total</i>					
	<i>Itemized Breakdown by Firm</i>					
		Firm Name	Role			
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c.	All professional fees and expenses (debtor & committees)						

Part 3: Recoveries of the Holders of Claims and Interests under Confirmed Plan

	Total Anticipated Payments Under Plan	Paid Current Quarter	Paid Cumulative	Allowed Claims	% Paid of Allowed Claims
a. Administrative claims	\$0	\$0	\$0	\$0	0%
b. Secured claims	\$0	\$0	\$0	\$0	0%
c. Priority claims	\$0	\$0	\$0	\$0	0%
d. General unsecured claims	\$0	\$24,702,479	\$24,702,749	\$0	0%
e. Equity interests	\$0	\$0	\$0		

Part 4: Questionnaire

- a. Is this a final report? Yes ☐ No ☒
- If yes, give date Final Decree was entered: _____
- If no, give date when the application for Final Decree is anticipated: _____
- b. Are you current with quarterly U.S. Trustee fees as set forth under 28 U.S.C. § 1930? Yes ☒ No ☐

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Privacy Act Statement

28 U.S.C. § 589b authorizes the collection of this information and provision of this information is mandatory. The United States Trustee will use this information to calculate statutory fee assessments under 28 U.S.C. § 1930(a)(6) and to otherwise evaluate whether a reorganized chapter 11 debtor is performing as anticipated under a confirmed plan. Disclosure of this information may be to a bankruptcy trustee when the information is needed to perform the trustee's duties, or to the appropriate federal, state, local, regulatory, tribal, or foreign law enforcement agency when the information indicates a violation or potential violation of law. Other disclosures may be made for routine purposes. For a discussion of the types of routine disclosures that may be made, you may consult the Executive Office for United States Trustee's systems of records notice, UST-001, "Bankruptcy Case Files and Associated Records." *See* 71 Fed. Reg. 59,818 et seq. (Oct. 11, 2006). A copy of the notice may be obtained at the following link: http://www.justice.gov/ust/eo/rules_regulations/index.htm. Failure to provide this information could result in the dismissal or conversion of your bankruptcy case, or other action by the United States Trustee. 11 U.S.C. § 1112(b)(4)(F).

I declare under penalty of perjury that the foregoing Post-confirmation Report and its attachments, if any, are true and correct and that I have been authorized to sign this report.

/s/ Mohsin Y. Meghji

Signature of Responsible Party

Plan Administrator for the Estate of BlockFi, Inc. et al

Title

Mohsin Y. Meghji, as Plan Administrator

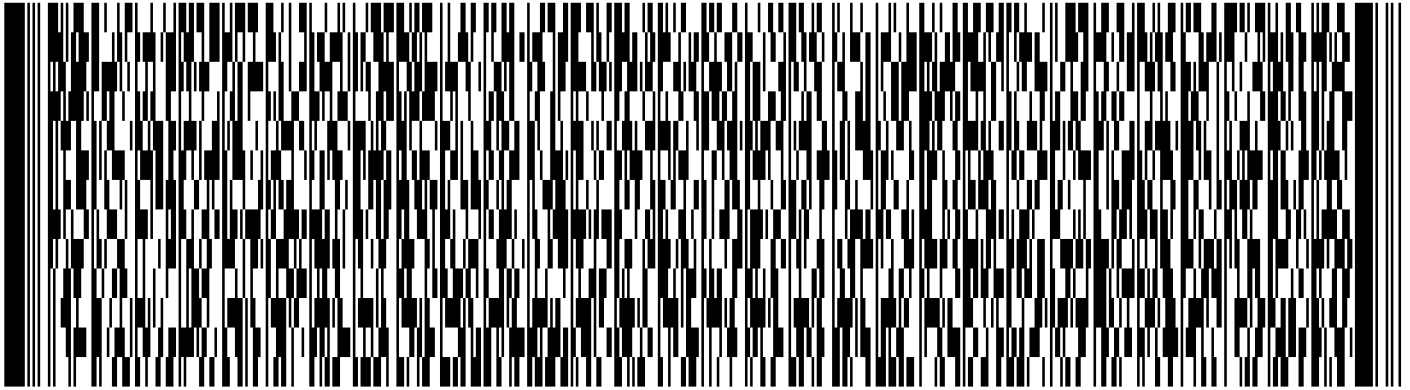
Printed Name of Responsible Party

11/07/2024

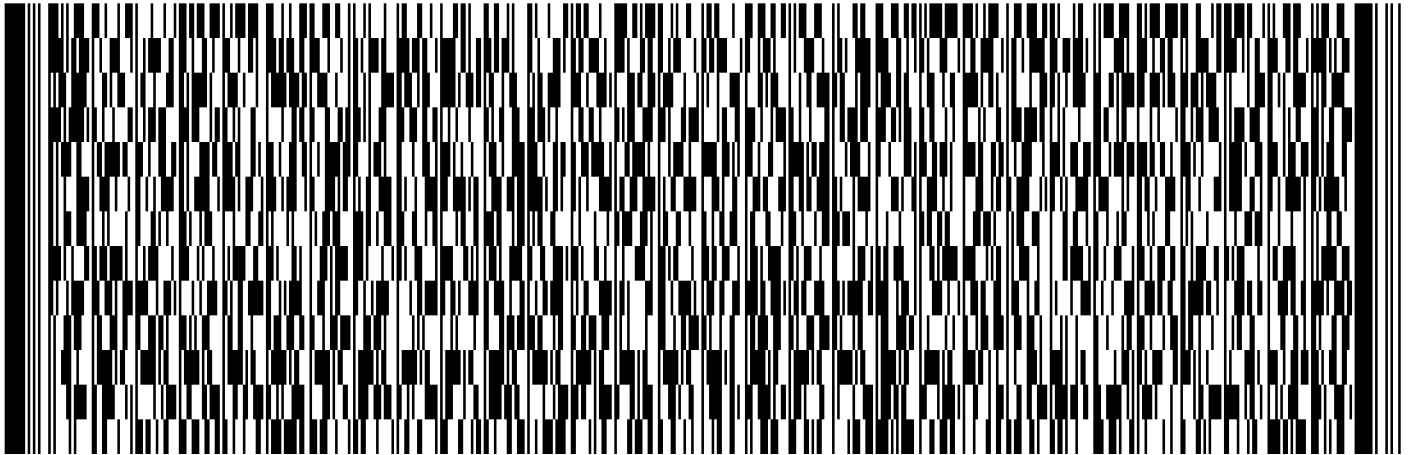
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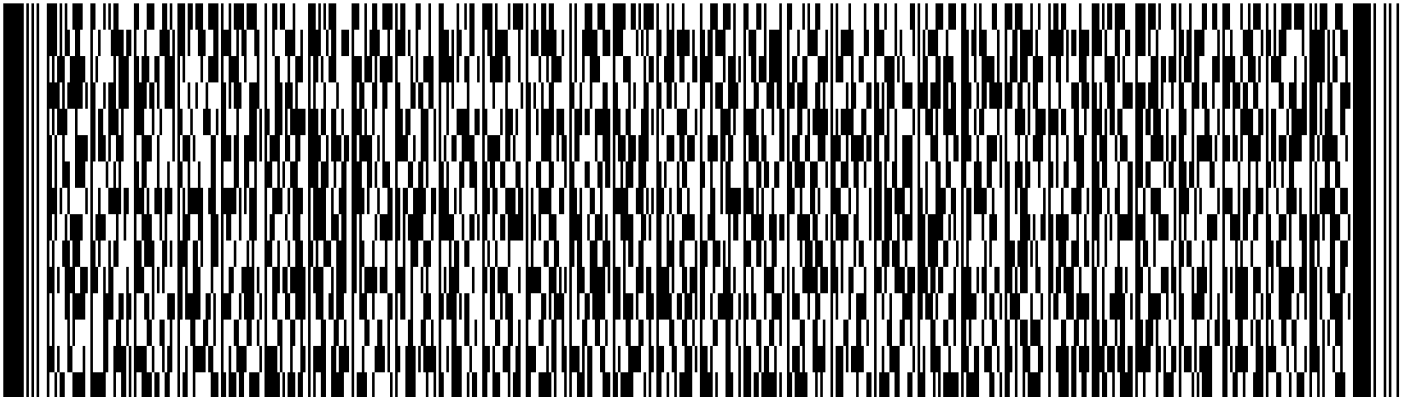
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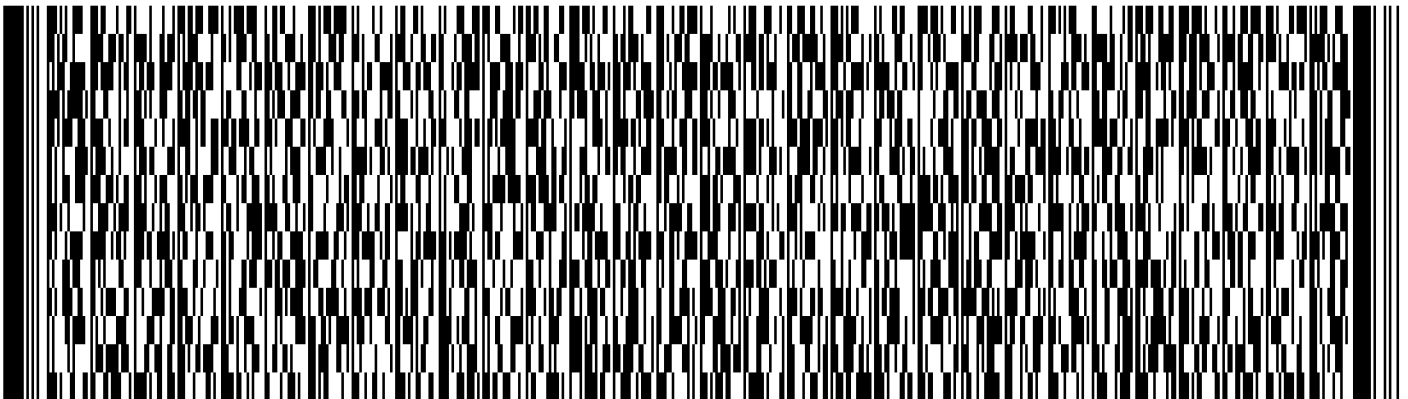
Page 1



Other Page 1



Page 2 Minus Tables



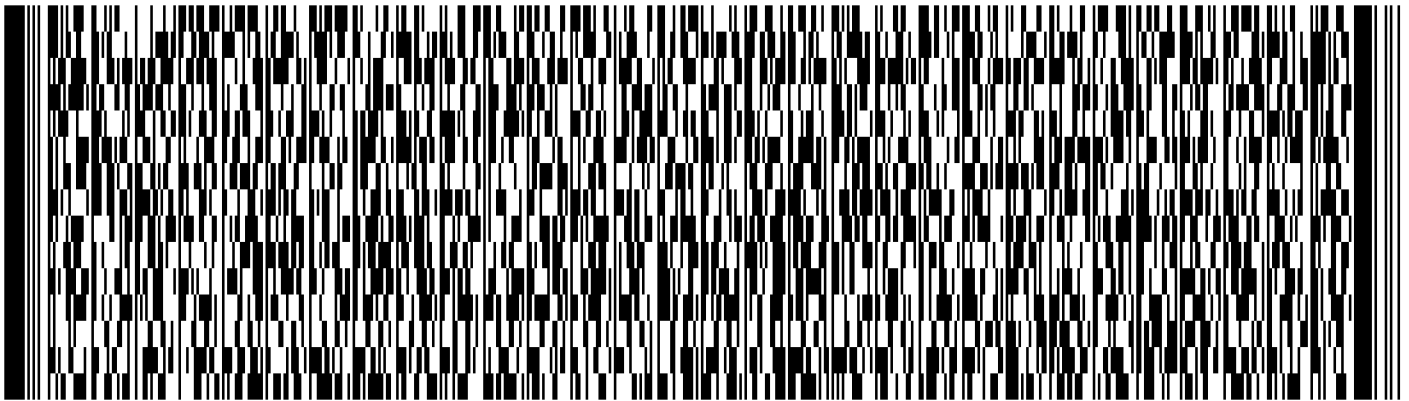
Bankruptcy Table 1-50

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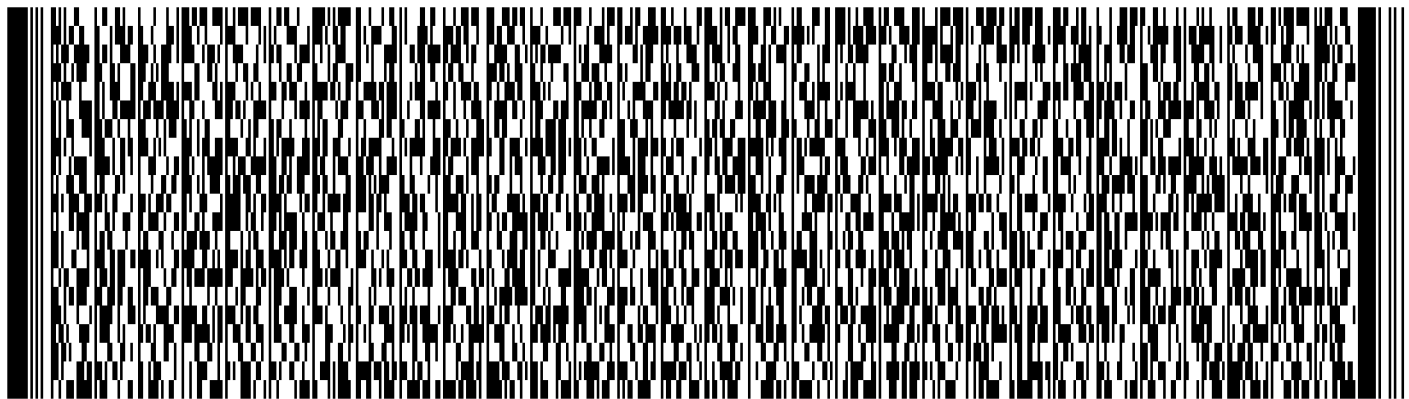
Bankruptcy Table 51-100



Non-Bankruptcy Table 1-50



Non-Bankruptcy Table 51-100



Part 3, Part 4, Last Page

Notes to Post Confirmation Report (“PCR”):

On November 28th, 2022 (the “Petition Date”), BlockFi, Inc. and eight of its affiliates (collectively, the “Debtors” or the “Company”) filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code. On November 28, 2022, the court entered an order [Docket No. 18] authorizing joint administration and procedural consolidation of these Chapter 11 cases pursuant to Bankruptcy Rule 1015(b) under the lead case In re BlockFi, Inc., et al., Case No. 22-19361. On December 21, 2022, the United States Trustee for the District of New Jersey (the “U.S. Trustee”) appointed an Official Committee of Unsecured Creditors (the “Creditors Committee”) [Docket No. 131]. No request for the appointment of a trustee or examiner has been made in these Chapter 11 cases. On October 3, 2023 (the “Confirmation Date”) the Court entered an order confirming the Debtors' Chapter 11 plan [Docket No. 1655]. On October 24, 2023 (the “Effective Date”) the Debtors' Chapter 11 plan became effective [Docket No. 1788].

The Debtors are filing UST Form 11-PCR, on a non-consolidated basis solely for the purposes of complying with the post-confirmation reporting requirements applicable in the Debtors' Chapter 11 cases. The financial and supplemental information contained herein is presented on a preliminary and unaudited basis, remains subject to future adjustments, and may not comply in all material respects with generally accepted accounting principles in the United States of America (“U.S. GAAP”) or International Financial Reporting Standards (“IFRS”), including but not necessarily limited to, preparation of this PCR for each Debtor entity on a cash basis and not on an accrual basis and without allocation of expenses to each Debtor entity on an intercompany basis. This PCR should not be relied on by any persons for information relating to future financial conditions, events, or performance of any of the Debtors or their affiliates.

The financial information has been derived from the books and records of the Debtors. This information, however, has not been subject to certain procedures that would typically be applied to financial information in accordance with U.S. GAAP or IFRS, and upon application of such procedures, the Debtors believe that the financial information could be subject to changes, which could be material. The information furnished in this report includes primarily normal recurring adjustments but does not include all adjustments that would typically be made for financial statements prepared in accordance with U.S. GAAP or IFRS. The preparation of the financial statements and PCR required the Debtors to make commercially reasonable estimates and assumptions. Actual results could differ from such estimates.

The Debtors reserve all rights to amend or supplement this PCR in all respects, as may be necessary or appropriate. Nothing contained in this PCR shall constitute a waiver of any of the Debtors' rights or an admission with respect to their Chapter 11 cases.

Notes to PCR Part 1:

Unless otherwise noted, total cash disbursements include all cash disbursements made from the bank account of the relevant entity, which also includes disbursements made from the Evolve professional fee escrow account. In the case of cash distributions to customers, disbursements sent to the Kroll escrow account are included in Part 1 even if funds have not yet been sent to customers. In the case of non-cash securities distributions to customers, disbursements are

included in Part 1 once they are withdrawn from the BlockFi platform or deposited in a customer's Coinbase account. The column labeled "Total Since Effective Date" includes all disbursements and transfers, as applicable, following the Effective Date through the end of the quarterly reporting period on March 31, 2024. Certain amounts for professional fees or other operating expenses were paid out of BlockFi Inc. bank accounts on behalf of BlockFi International Ltd. or BlockFi Lending LLC. These amounts represent all expenses paid out of BlockFi Inc. bank accounts either on behalf of BlockFi Inc. or on behalf of BlockFi International Ltd. or BlockFi Lending LLC.

Payments made to the US Trustee that were paid in the quarter ending March 31, 2024 but which related to distributions made in the quarter ending December 31, 2023 are listed in Part 1 under "Total cash disbursements" made in "Current Quarter."

For the avoidance of doubt, cash disbursements do not include distributions related to assets held in the customer accounts referred to as the BlockFi Wallet product as described in the Debtors' Motion for Entry of an Order (I) Authorizing the Debtors to (A) Honor Withdrawals from Wallet Accounts, (B) Update the User Interface to Properly Reflect Transactions and Assets as of the Platform Pause, and (C) Conduct Ordinary Course Reconciliation of Accounts, and (II) Granting Related Relief (the "Wallet Withdrawal Motion") [Docket No. 121]. As discussed in the Wallet Withdrawal Motion, the Debtors do not have a legal or equitable interest in the assets held in the Wallet Accounts; such held funds are owned by the Debtors' clients.

Notes to PCR Part 2:

Preconfirmation Professional Fees and Expenses for Professional fees & expenses (bankruptcy) in subpart a. and Professional fees & expenses (non-bankruptcy) in subpart b. includes all fees and expenses for professionals from the Petition Date through the Effective Date. The column labeled "Paid Current Quarter" reflects actual payments made by the relevant Debtor during the Quarter ended March 31, 2024 for pre-Effective Date expenses. The column labeled "Paid Cumulative" reflects the total amount paid to each professional from Petition Date through March 31, 2024 for pre-Effective Date expenses. The column labeled "Approved Cumulative" reflects the total amount of payments approved by the Court through March 31, 2024, as reflected in interim and final fee applications filed by professionals. For ordinary course professionals, as well as the US Trustee and Kroll, "Approved Cumulative" represents amounts paid on account of invoices received and reviewed by the Debtors. The aggregate approved fees and expenses for each professional from all approved interim periods is not necessarily equivalent to those in the final fee application.

The entry in BlockFi International Ltd.'s PCR to "BlockFi International Liquidation Bank Account" refers to amounts funded in a bank account that is controlled by the Joint Liquidators and is being used for Bermuda proceeding administrative expenses, which covers Joint Liquidator fees, as well as Joint Liquidator legal counsel fees.

Notes to PCR Part 3:

The claims reconciliation process is still ongoing, and as such the Debtors are unable to anticipate or determine total payments that may be made under the Plan or the total claims that may be allowed under the Plan. Therefore, \$0 has been entered in the columns labeled “Total Anticipated Payments Under Plan.” These figures will be updated in future PCRs once the total amount of allowed claims is established. Amounts distributed to unsecured creditors are reflected in Part 3 in the “Paid Current Quarter,” “Paid Cumulative,” and “Allowed Claims” columns. In the case of cash distributions, distributions to unsecured creditors are calculated once they are successfully transferred to creditors, which is based on reporting provided by the distribution agent. In the case of non-cash securities distributions, distributions to unsecured creditors are calculated once they are withdrawn from the BlockFi platform or deposited in a customer’s Coinbase account. The value of cryptocurrency (either BTC or ETH) distributed to unsecured creditors reflects either weighted average “rebalancing” price as described in the Notice of Distribution Percentage and Digital Asset Value with Respect to the First Interim Distribution [Docket No. 2161] that was distributed to unsecured creditors and Notice of Distribution Percentage and Digital Asset Value with Respect to the Final Customer and General Creditor Distribution [Docket No. 2407].

Additionally, distributions to Wallet holders have not been counted as payments under the Plan or allowed claims because, pursuant to an Order on May 17, 2023 [Docket 923], “[t]he digital assets held in the Custodial Omnibus Wallets as of the Platform Pause Time Stamp are not property of the Debtors’ estate.”

Administrative claims for BlockFi Inc. represent pre-petition expenses that were cured and paid as part of a contract assumption.

Notes to PCR Part 4:

For BlockFi Investment Products LLC and BlockFi Lending II LLC, this PCR is a final report and the date of the final decree was October 9, 2024. For other BlockFi Debtors, this PCR is not a final report and any date of application for a final decree is currently unknown.